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**Request for City Council Committee Action
From the City Attorney's Office**

Date: December 5, 2002
To: Ways & Means/Budget Committee
Referral to:

Subject: Lanz, et al. v. City of Minneapolis and Federal Signal Corporation
Hennepin County District Court File No.: 98-18696

Recommendation: That the City Council approve settlement of the claim for costs incurred by Plaintiffs' in the above-referenced matter in the amount of \$115,818.38 payable to Plaintiffs Erin Lanz, Mitchell Lanz and Michael Lanz and their attorneys Richard Gill and Philip Sieff, Robins, Kaplan, Miller & Ciresi, L.L.P. payable from Fund/Org. 690 150 1500 4000. Further recommend that the City Council authorize the City Attorney to execute all documents in finalization of this settlement.

Previous Directives: The matter was considered by the Council in closed session on November 22, 2002.

Prepared by: James A. Moore, Assistant City Attorney

Phone: 673-2063

Approved by: 

Jay M. Heffern
City Attorney

Presenter in Committee: Jay M. Heffern, City Attorney

Financial Impact (Check those that apply)

- ☐ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- ☐ Action requires an appropriation increase to the Capital Budget
- ☐ Action requires an appropriation increase to the Operating Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☒ Other financial impact (Explain): Fund/Org. 690 150 1500 4000
- ☐ Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

The above-named Plaintiffs were among the Plaintiffs in the litigation arising from the Holidazzle accident that occurred in December of 1998. Plaintiffs prevailed at trial and a jury found the City of Minneapolis 87.5% at fault and found Defendant Federal Signal Corporation 12.5% at fault for the accident. The City's liability for damages arising out of the accident was capped at \$750,000 for all claims arising out of the incident by virtue of the Minnesota Municipal Tort Liability Act, Minnesota Statutes Chapter 466. The full extent of Federal Signal's exposure to damage claims is currently on appeal to the Minnesota Court of Appeals.

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After the trial, Plaintiffs' moved for an award of costs and disbursements. The Minnesota Supreme Court has ruled that the City's tort liability limits do not apply to an award of costs and disbursements. After briefing and argument on the motion for costs, the Hennepin County District Court awarded costs against the City in the amount of \$126,636.76. The costs were also awarded against Federal Signal Corporation based on their percentage of fault. The City Attorney's Office has negotiated a settlement of the claim for costs and disbursements in the amount of \$115,818.38. The City Attorney's Office recommends settlement of the claim for costs in this amount.